

**ELLCOTT CITY VOLUNTEER
FIREMEN'S ASSOCIATION, INC.
Ellicott City, Maryland**

**FINANCIAL STATEMENT
June 30, 2006**




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Independent Auditor's Report

The Honorable County Council
Ellicott City Volunteer Firemen's Association, Inc.
Howard County, Maryland

We have audited the statement of cash receipts and disbursements of the County's operating fund – actual and budget of Ellicott City Volunteer Firemen's Association, Inc. ("Association") for the year ended June 30, 2006. This financial statement is the responsibility of the Association's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the statement of cash receipts and disbursements of the County's operating fund – actual and budget is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in the Summary of Significant Accounting Policies, this financial statement was prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. In addition, this statement was prepared to comply with requirements specified by the Howard County Government and is not a complete presentation of the Ellicott City Volunteer Firemen's Association, Inc.'s cash, cash receipts and disbursements.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash receipts and disbursements of the County's operating fund – actual and budget of the Ellicott City Volunteer Firemen's Association, Inc. for the year ended June 30, 2006, on the basis of accounting described in the Summary of Significant Accounting Policies.

Our audit was performed for the purpose of forming an opinion on the financial statement taken as a whole. The accompanying supplemental information, listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the financial statement. The additional information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Clifton Gunderson LLP

Baltimore, Maryland
September 8, 2006

ELLCOTT CITY VOLUNTEER FIREMEN'S ASSOCIATION, INC.
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
OF THE COUNTY'S OPERATING FUND – ACTUAL AND BUDGET
Year Ended June 30, 2006

	<u>Actual</u>	<u>Budget</u>
RECEIPTS		
Howard County, Maryland	\$ 530,600	\$ 530,600
Interest	<u>93</u>	<u>-</u>
Total receipts	<u>530,693</u>	<u>530,600</u>
DISBURSEMENTS		
Contractual services	142,349	143,700
Materials and supplies	222,118	208,400
Business and travel expenses	64,624	43,600
Capital outlay	93,719	126,500
Miscellaneous	<u>7,840</u>	<u>8,400</u>
Total disbursements	<u>530,650</u>	<u>530,600</u>
INCREASE IN CASH DURING THE YEAR	43	<u>\$ -</u>
CASH BALANCE, BEGINNING OF YEAR	<u>14,599</u>	
CASH BALANCE, END OF YEAR	<u>\$ 14,642</u>	

This financial statement should be read only in connection
with the accompanying summary of significant accounting
policies and notes to financial statement.

ELLICOTT CITY VOLUNTEER FIREMEN'S ASSOCIATION, INC.
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
June 30, 2006

Ellicott City Volunteer Firemen's Association, Inc. (Association), located in Howard County, Maryland is a full service public service organization providing Fire Suppression, Rescue and Paramedic level Emergency Medical Services. This Association accomplishes its daily goal of quality service to the citizens of Howard County with a group of dedicated volunteers, as well as a complement of Howard County Department of Fire and Rescue Services personnel.

BASIS OF ACCOUNTING

The financial statement has been prepared on the cash basis of accounting and is not intended to present the results of operations in conformity with generally accepted accounting principles. Under the cash basis of accounting, the only asset recognized is cash, and no liabilities are recognized. All transactions are recognized as either cash receipts or disbursements, and non-cash transactions are not recognized. However, significant amounts committed through encumbrance, if any, as of year-end are disclosed for informational purposes.

The budget is determined by the Howard County Council during its annual budgetary process. It represents the Association's portion of the County's total budget.

This statement includes the cash receipts and disbursements of the County's operating account of the Association. Certain financial activities of the Association are accounted for separately and the related cash accounts are not included in this statement.

The cash basis differs from generally accepted accounting principles primarily because of the following:

- Accounts receivable are not reflected as revenue.
- The purchase of inventories and fixed assets are reflected as disbursements as opposed to assets, and the related use of inventories and depreciation of fixed assets are not reflected as expenses.
- Accounts payable are not included as expenses.

This information is an integral part of the accompanying financial statement.

ELLICOTT CITY VOLUNTEER FIREMEN'S ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENT
June 30, 2006

NOTE 1 – RELATED PARTY TRANSACTIONS

The Volunteer Fire Chief of the Association is a part owner of a company which the Association uses to service vehicles and equipment. Payments for the company's services totaled \$33,030 for the year ended June 30, 2006.

NOTE 2 – ENCUMBRANCES

There are no significant encumbrances at the end of the fiscal year.

This information is an integral part of the accompanying financial statement.

SUPPLEMENTAL INFORMATION

ELLCOTT CITY VOLUNTEER FIREMEN'S ASSOCIATION, INC.
SCHEDULE OF CASH RECEIPTS – ACTUAL AND BUDGET
Year Ended June 30, 2006

The Association's cash receipts from Howard County, Maryland's operating fund consist of the following:

	<u>Actual</u>	<u>Budget</u>
Howard County, Maryland		
Operating funds	\$ 404,100	\$ 404,100
Capital funds	<u>126,500</u>	<u>126,500</u>
TOTAL	<u>\$ 530,600</u>	<u>\$ 530,600</u>

ELLCOTT CITY VOLUNTEER FIREMEN'S ASSOCIATION, INC.
SCHEDULE OF CASH DISBURSEMENTS – ACTUAL AND BUDGET
Year Ended June 30, 2006

The Association's cash disbursements from the County's operating fund by budgetary object are as follows:

	<u>Actual</u>	<u>Budget</u>
Contractual Services		
202 - Utilities	\$ 60,769	\$ 56,500
203 - Telephone	6,449	12,000
204 - Advertising	161	1,000
205 - Insurance	18,958	18,000
207 - Service and maintenance	50,727	50,000
213 - Uniform cleaning	59	500
235 - Fire extinguisher maintenance	614	1,000
237 - Pest control	880	1,200
240 - Overhead door maintenance	3,732	3,500
TOTAL	<u><u>\$ 142,349</u></u>	<u><u>\$ 143,700</u></u>
Materials and Supplies		
301 - Printing	\$ 474	\$ 2,000
302 - Postage	422	1,400
303 - Janitorial supplies	5,014	8,000
304 - Food	3,487	5,000
305 - Office supplies	4,391	4,500
306 - Auto supplies	21,563	16,000
307 - Tools	2,966	3,000
308 - General supplies	17,925	20,000
318 - Landscaping supplies	280	1,000
342 - Uniforms	5,572	8,000
343 - Protective equipment	8,507	22,000
344 - Firefighting equipment	25,324	28,000
345 - Medical supplies	30,890	27,000
347 - Pharmaceuticals	26,938	22,000
351 - Photo supplies	53	1,000
352 - Computer supplies	976	2,500
370 - Library books	2,030	2,000
373 - Vehicle maintenance	65,306	35,000
TOTAL	<u><u>\$ 222,118</u></u>	<u><u>\$ 208,400</u></u>

ELLICOTT CITY VOLUNTEER FIREMEN'S ASSOCIATION, INC.
SCHEDULE OF CASH DISBURSEMENTS – ACTUAL AND BUDGET
Year Ended June 30, 2006
(Continued)

	<u>Actual</u>	<u>Budget</u>
Business and Travel Expenses		
410 - Vehicle fuels	\$ 54,714	\$ 26,000
412 - Private vehicles	447	400
414 - Subsistence	5,394	8,000
415 - Subscriptions	960	1,100
416 - Membership dues	565	1,500
418 - Seminars and meetings	394	2,600
419 - Board meeting expenses	1,000	1,000
420 - Training courses	1,150	3,000
TOTAL	<u>\$ 64,624</u>	<u>\$ 43,600</u>
Capital Outlay		
502 - Building	\$ 77,304	\$ 72,500
503 - Office furniture and equipment	16,415	19,000
505 - Operational equipment	\$ -	\$ 35,000
TOTAL	<u>\$ 93,719</u>	<u>\$ 126,500</u>
Miscellaneous		
606 - Contributions	\$ 200	\$ 400
607 - Miscellaneous	7,640	8,000
TOTAL	<u>\$ 7,840</u>	<u>\$ 8,400</u>